
**MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SUMMARY OF 1999
ECONOMIC DEVELOPMENT PROJECTS**

Locality: **City of Helena**

Project Number: 99-01

Name of Company: Summit Design and Manufacturing, LLC

Financing Date: 5/13/99

CDBG Funds: \$ 400,000

Other Funds:

 SNK America Inc. \$ 1,395,000

 Summit Equity \$ 344,450

Total Project **\$ 2,139,450**

Job Creation: 25

LMI Jobs: 19

Use of CDBG Funds: Equipment

The City of Helena was awarded a \$400,000 grant from the Montana Department of Commerce's CDBG economic development fund. The City of Helena will loan \$368,000 to Summit Design and Manufacturing to purchase equipment as part of the company's expansion plans. The City and Gateway Development Corp. will use \$32,000 for administrative activities.

Summit Design provides design and manufacturing services to aerospace companies throughout the United States. The company plans to create, over a two-year period, an additional 25 manufacturing, clerical and engineering jobs, with 19 of the jobs being made available to or filled by low and moderate income persons (LMI).

Locality: **Jefferson County**

Project Number: 99-02

Name of Company: Jefferson Local Development Corp./Aspen Youth Services Inc.

Financing Date: 6/23/99

CDBG Funds: \$ 400,000

Other Funds:

 EDA \$ 720,000

 Aspen Equity \$ 330,000

 JLDC \$ 17,660

Total Project **\$ 1,467,660**

Job Creation: 27

LMI Jobs: 19

Use of CDBG Funds: Renovation and equipment

Jefferson County will loan \$368,000 to Jefferson Local Development Corporation (JLDC) who will renovate two buildings on the South Boulder Campus which used to be part of the Montana Development Center in Boulder. Aspen Youth Adventures will be the primary tenant and make loan payments to JLDC's revolving loan fund. Aspen Youth Adventures provides education, treatment and rehabilitation services to at-risk-youth. These funds will then be re-loaned to other qualifying area businesses. The renovation project will result in the creation of 19 jobs with all of those being made available to low and moderate income persons. This project is a first step in redevelopment of the abandoned South Campus in Boulder.

Locality: **Wheatland County**

Project Number: 99-03

Name of Company: The Graves Hotel

Financing Date: 8/13/99

CDBG Funds: \$ 272,000

Other Funds:

 CNB/SBA \$ 178,000

 Equity \$ 200,000

Total Project \$ 650,000

Job Creation: 23.5

LMI Jobs: 23.5

Use of CDBG Funds: Renovation, furniture and fixtures

Loan funds of \$250,000 will be used to renovate the Graves Hotel, an historic hotel located in Harlowton, and a vital component in revitalizing the downtown. \$22,000 will be used for administration of the project. Loan repayments will be used to start a revolving loan fund, which will re-loan the money to other local businesses in the downtown business district and within the County. The project is anticipated to create 23.5 new jobs, all of which will be filled by or made available to individuals from low to moderate income households.

Locality: **City of Shelby**

Project Number: 99-04

Name of Company: Prison Infrastructure

Financing Date: 9/23/99

CDBG Funds: \$ 400,000

Other Funds:

 EDA \$ 800,000

 City \$ 228,500

 Norwest Bank \$ 1,274,000

Total Project \$ 2,702,500

Job Creation: 170

LMI Jobs: 90

Use of CDBG Funds: Infrastructure Improvements

Grant funds of \$400,000 will be used to construct a new water tank for the 500-bed private prison being built there. Corrections Corporation of America (CCA) will construct the new water tank that is needed by the city to meet operating water pressure and fire flow requirements to service the prison and its potential expansion. CCA has projected that 170 full-time jobs will be created, of which 90 will be made available to or filled by low and moderate income persons.

Locality: **Park County**

Project Number: 99-05

Name of Company: Park County Economic Development Corp. Multi-Project RLF

Financing Date: 6/30/99

	<u>Total</u>	<u>Revised Total</u>	<u>Express Color</u>	<u>Wellspring Institute</u>	<u>Echoe Mountain (Terminated)</u>
CDBG Funds	\$ 347,200	\$ 284,000	\$ 100,000	\$ 150,000	\$ 60,000
Other Funds:					
Notes	\$ 189,000	\$ 147,000		\$ 147,000	\$ 42,000
Investor	\$ 28,000				\$ 28,000
Equity	<u>\$ 121,000</u>	<u>\$ 121,000</u>	<u>\$ 100,000</u>	<u>\$ 21,000</u>	<u> </u>
Total Project	<u>\$ 685,200</u>	<u>\$ 552,100</u>	<u>\$ 200,000</u>	<u>\$ 318,000</u>	<u>\$ 130,000</u>
Job Creation	17.5	14.5	6.0	8.5	3.0
LMI Jobs	15.5	12.5	5.0	7.5	3.0

Use of CDBG Funds: Machinery and Equipment, Working Capital & Inventory

Park County was awarded \$347,200 in economic development funds, which was later reduced to \$284,000 when the Echoe Mountain project was terminated. The County will lend the majority of the money to ~~three~~ two businesses located in the County: Express Color Printing and ~~Echoe Mountain Works~~, both of Livingston and Wellspring Institute of Emigrant. Park County and Park County Economic Development Corporation will receive ~~\$37,200~~ \$34,100 of the funds awarded to oversee the administration of the loans. Loan repayments will become part of the County's revolving loan fund, which will relend the money to other local businesses within the Community. The borrowers propose to create ~~17.5~~ 14.5 new jobs, ~~15.5~~ 12.5 of which will be filled by or made available to low and moderate income individuals.

Express Color Printing

Express Color Printing will receive a \$100,000 loan to expand its Internet-based publishing capabilities. The project will create six new positions, five of which will be filled by or made available to low and moderate income individuals.

Echoe Mountain Works (Terminated)

~~Echoe Mountain Works will receive a loan of \$60,000 to purchase the machinery and materials necessary to expand this manufacturer of specialized outdoor clothing. This expansion will create three new industrial sewing positions.~~

Wellspring Institute

Wellspring Institute will receive a \$150,000 loan to complete construction of its educational retreat center for the massage, spa and physical therapy industries. The center's spa will also be available for use by the public. The company anticipates creating 8.5 new jobs.

Locality: Flathead County
Project Number: 99-06
Name of Company: Merlin Data Publishing (**Terminated**)
Financing Date: 8/17/99

CDBG Funds:	\$ 300,000
Other Funds:	
Bank	\$ 67,000
New Equity	\$ 200,000
IRP	\$ 100,000
Owner Equity	\$ 15,000
Total Project	<u>\$ 682,000</u>

Job Creation:	27
LMI Jobs:	14

Use of Funds: Working Capital

Flathead County was awarded \$300,000 in CDBG economic development funds. Merlin Data Publishing, an existing business in Kalispell, will receive a \$276,000 loan from the County. Merlin Data Publishing, which publishes public information files on CD-ROM and the Internet, will use the funds as working capital to purchase data processing equipment and build a sales force. The company anticipates creating 27 new jobs, 14 of which will be filled by or made available to low and moderate income individuals.

Locality: Richland County

Project Number: 99-07

Name of Company: Moo Juice, LLC

Financing Date: 12/2/99

DOC Funds:

CDBG Funds \$ 15,000

EDA/RLF: \$ 400,000

Other Funds:

Ag Star FCS \$ 3,484,000

Equity \$ 2,480,000

Total Project \$ 6,379,000

Job Creation: 21

LMI Jobs: 20

Use of Funds: Equipment and Working Capital

Richland County will loan \$400,000 to Moo Juice, a new commercial-sized dairy operation near Crane, for the purchase of cattle, machinery, equipment, and working capital to build and operate Phase I of the dairy, which will start out with 1000 cows. Richland Economic Development in Sidney will receive \$15,000 of CDBG funds to administer the project. It is anticipated that 21 jobs will be created by Moo Juice, 20 of which will be filled by or made available to low-moderate income individuals. The company began operations in summer 2000.

Locality: Lake County

Project Number: 99-08

Name of Company: Mission Mountain Marketing

Financing Date: 12/16/99

CDBG Funds: \$ 78,000

Other Funds:

USDA Coop \$ 93,000

LCCDC \$ 31,000

Local Funds \$ 46,800

Total Project \$ 248,800

Job Creation: 4

LMI Jobs: 3

Use of Funds: Equipment, Construction and Working Capital

Lake County will grant \$78,000 in CDBG economic development funds to Lake County Community Development Corporation (LCCDC) for the Mission Mountain Market project, a pilot project for adding value to and marketing products produced in the northwest part of the

state, the Mission, Missoula, Ravalli, and Flathead Valleys. Grant funds of \$73,200 will be used for working capital and equipment for an existing building in Ronan that will be renovated into a test kitchen, e-commerce marketing cooperative, and resource library.

Funding of \$4,800 is being made available to LCCDC to administer the project on behalf of Lake County. It is anticipated that the project will retain (1) job and create three (3) new jobs that will be filled by or made available to low-income persons in Lake County.

Locality: **Yellowstone County**
Project Number: 99-10
Name of Company: Cattle Development Center
Financing Date: 5/18/00

DOC Funds
EDA/RLF \$ 100,000
CDBG \$ 181,000
Other Funds:
Bank \$ 900,000
Equity \$ 600,000
RC&D \$ 35,000
Total Project \$ 1,816,000

Job Creation: 14
LMI Jobs: 10

Use of Funds: Machinery, Equipment, Working Capital

Yellowstone County was awarded \$100,000 in economic development funds from the Montana Department of Commerce. The county will loan \$100,000 to the Cattle Development Center (CDC), a commercial cattle-feeding facility to be located near Custer, Montana. CDC will provide regional cattle producers with an option for contract feeding within Montana rather than having to ship cattle outside the state as is currently done. Funding will be used for machinery, equipment and working capital to start up the operation. It is anticipated that the project will create 14 jobs, 10 of which will be filled by or made available to individuals from low to moderate income.

Locality: **Ravalli County**
Project Number: 99-09
Name of Company: Big Sky Mushrooms, LLC
Financing Date: 1/21/2000

DOC Funds
CDBG Funds \$ 140,957
EDA/RLF Funds \$ 125,000

Other Funds:

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MCDC	\$	154,500
Equity	\$	350,000
Incr. Work Cap.	\$	<u>51,917</u>
Total Project	\$	<u>806,417</u>
Job Creation:		19
LMI Jobs:		19

Use of Funds: Equipment, Working Capital & Expansion

Ravalli County was awarded \$265,957 in DOC economic development funds. The County will loan \$250,000 to Big Sky Mushrooms, LLC for machinery, equipment, and working capital for an expansion that will double the capacity of the mushroom growing operation. Grant funding of \$15,957 is being made available to Montana Community Development Corporation (MCDC) and the County for the administration of the project. Loan repayments from the CDBG loan will go to further enhance the MCDC/Ravalli County Revolving Loan Fund; repayments from the EDA/RLF are returned to the DOC for further relending activity. Big Sky Mushrooms anticipates creating 19 additional jobs that will be filled by or made available to low and moderate income individuals.